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Lindseth to focus on Axentis

4:43 AM Oct. 27, 2003

By JEFF STACKLIN

Steve Lindseth can't just sit back and relax.

After selling his company, Compliant Corp., last week, Mr. Lindseth will turn his attention to Axentis LLC, a software company spun off from Compliant nearly two years ago. He's giving up his post as CEO of Compliant, a provider of portable defibrillators and training to use the devices, as part of the sale of company's assets to defibrillator maker Cardiac Science Inc., a publicly traded company in Irvine, Calif.

Axentis provides software that helps customers stay in compliance with financial, safety and other regulatory guidelines imposed upon them. Mr. Lindseth will work full time at Axentis and serve as chairman. He started Axentis as a software division of Compliant. He founded Compliant as CPR Prompt in 1998.

The software division was spun off from Compliant in January 2002. The two companies, though linked by Mr. Lindseth prior to last week's acquisition announcement, operated individually, and each had its own office: Compliant at 27070 Miles Road and Axentis at 4670 Richmond Road, both in Solon.

Axentis is a 52-employee company that is focused on growing its business, and Mr. Lindseth expects sales to increase 100% this year from 2002, though he would not disclose specific sales figures. Axentis had sales of \$1.5 million in 2001, the most recent year for which figures were available.

Mr. Lindseth declined to say how much he will make in the sale of Compliant's assets to Cardiac Science, though much of the proceeds will go to venture capital firms that invested more than \$50 million in Compliant and Axentis. The stock deal was valued at \$44.4 million based on Cardiac Science's closing price last Thursday, Oct. 23.

Mr. Lindseth also is an investor and chairman of a Beachwood startup, PinPoint1, which is developing software to help customers such as restaurants fill high-turnover jobs.

"My hands are full," he said. "I'm not planning to do anything else."

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Software co. raises \$7.5M

5:19 AM Nov. 17, 2003

By JEFF STACKLIN

[Axentis Inc.](#) is looking to keep even more corporations in line.

The Warrensville Heights company, which develops and sells software to help clients maintain and document compliance with regulatory requirements, last Friday, Nov. 14, received an investment of \$7.5 million from three venture capitalists and other investors.

The money will be used to strengthen the company's balance sheet, to finance day-to-day operations and to beef up its marketing and distribution network.

Sierra Ventures of Menlo Park, Calif., led the financing, said Axentis chairman Steve Lindseth. He declined to say how much money Sierra invested in Axentis. Sierra's investment portfolio includes software, Internet infrastructure and telecommunications providers, most of which are based in northern California.

Steven P. Williams, a general partner at Sierra, did not return three telephone messages last Thursday and Friday. His assistant said late Friday morning he could not comment until the financing was formally completed.

Venture capitalists JP Morgan Partners of New York and Key Venture Partners, the venture capital arm of Key Principal Partners Corp. of Cleveland, also were investors in the new financing round, Mr. Lindseth said. Both JP Morgan and Key previously invested in Axentis.

David Dame, co-manager of Key Venture Partners, said Axentis has spent the past few years developing software that helps companies meet compliance and regulatory issues. But because companies now need to document their accounting measures better, demand is growing in a new arena for software of the type produced by Axentis.

"We think the whole compliance (software) market is being energized by" the Sarbanes-Oxley Act, Mr. Dame said. "Sarbanes is like a lightning rod" for the industry. Sarbanes-Oxley is intended to improve the accuracy and reliability of corporate disclosures required by securities laws.

Mr. Dame declined to disclose how much Key Ventures Partners invested, though he said it was a "meaningful amount." He noted that attracting a new investor such as Sierra, which has invested millions of dollars into other software and technology companies, helps validate Axentis and its software.

Some individuals who previously invested in Axentis participated in the recent round, too, Mr. Lindseth said, but he wouldn't identify them. Mr. Lindseth declined to break down how much each of the three venture capitalists invested, and he wouldn't disclose their ownership stakes, though he said the venture capitalists are majority owners in the company.

With this financing, Axentis has raised a total of \$16 million in venture capital, Mr. Lindseth said.

Axentis CEO Ted Frank said the additional money would be used in part for marketing and distribution efforts that got a boost earlier this year with the hiring of Tim Wassman as vice president of sales and business development. Mr. Wassman previously had been in charge of sales and marketing throughout the

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central United States for California-based business software provider SeeBeyond Technology Corp.

"For the first time, we're really starting to beef up distribution," Mr. Frank said. "We have sales people throughout the country."

The company has 60 employees, and Mr. Frank said Axentis might hire a dozen more in the next 12 months. The company is considering opening offices outside Northeast Ohio, though there are no firm locations, Mr. Frank said. Axentis, named after the company's original software product, Axess, had been started as a software division of Compliant Corp., a maker of portable defibrillators that was sold last month to Cardiac Science Inc., a California-based competitor. Axentis was spun off from Compliant in January 2002.

Axentis has about 60 customers, including First Data Corp., the Denver-based parent company of Western Union, and UICI, a Dallas-based insurance and financial services provider. Mr. Frank said the company has five customers in the pharmaceutical industry and "other highly regulated markets."

Messrs. Lindseth and Frank each declined to provide a sales figure for Axentis, but they said sales have doubled this year from 2002.

Mr. Lindseth said the company is not yet profitable, but he's more concerned about growing the size of its market share.

"At any point, you can run to get to break even," Mr. Lindseth said. "We're at a point where we've validated the opportunity. There is a tremendous focus on corporate compliance. The market is becoming very hot and there are a lot of companies trying to steer their products into this market."

Computer hardware giant IBM and software maker PeopleSoft Inc. of Pleasanton, Calif., are among the competitors trying to get a piece of the compliance software market, Mr. Lindseth said.

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Axentis

Corporate Background

Overview

Axentis' BPM platform, Axentis Enterprise™, provides customers with a complete solution to bring efficiency, order, and control over the full range of behavioral business processes, such as compliance and corporate governance. Specifically targeting behavioral processes, which are generally more distributed, subjective, and knowledge-intensive, AE solves these unique demands by harnessing all four components of a successful business process – people, information, processes, and management. Axentis Enterprise allows customers to directly improve governance and compliance performance, reduce company risk levels, and increase behavioral process efficiency.

History

Axentis was spun off from Compliant Corp., a leading business process outsourcer, in December 2001. The Axentis Enterprise (AE) application was created over a three-year period to power the end-to-end business process management needs of Compliant's service offering, deployed across its thousands of customers. The investors and board of directors determined that Axentis Enterprise should be sold directly to customers as a comprehensive compliance and governance solution and established and funded a separate company to pursue this strategy.

Solution

Axentis offers the first Web-based BPM platform built from the ground up specifically to automate behavioral processes, such as compliance and corporate governance, within an organization and its business partners.

Deploying AE to address a company's compliance and corporate governance needs leads to the following benefits:

- **Improved governance and compliance performance:** Company-wide efforts can be aggregated, measured, and analyzed completely within the AE environment.
- **Reduced company risk levels:** Requirements are proactively assigned, communicated, and measured by management. In addition, any issues or problems that do arise can automatically be reviewed and remediated according to predefined standards.
- **Improved behavioral process efficiency:** Behavioral processes are woven into the fabric of a company's daily operations, allowing for consistent management and execution of requirements.

Solution, cont. Axentis' solution solves these unique needs by harnessing all four operational elements of a successful business process: people, information, processes, and management.

1. **People:** clearly defining responsibilities and the individual(s) accountable for them.
2. **Information:** managing knowledge (policies, training, FAQs, documents, etc.) required to complete the assigned requirements or activities.
3. **Processes:** defining activities and initiatives in terms of a consistent and approved multi-step workflow.
4. **Management:** creating closed-loop reporting and establishing dynamic relationships with third-party applications that manage overall performance.

Partners Axentis has a partnership with PricewaterhouseCoopers, the world's largest professional services organization with extensive experience in corporate compliance issues, risk management, and organizational and human performance optimization.

Funding Axentis was spun off from its parent company, Complent, in December 2001, and has raised more than \$15 million from investors including JP Morgan Partners, Goldman, Sachs & Co., Key Principal Partners, Healthcare Equity Partners, BancBoston Capital, J.W. Seligman, National City Equity Partners, and The Cleveland Clinic Foundation.

Executive Team

Steven W. Lindseth, founder, chairman and CEO
Theodore W. Frank, president
Gary M. Fingerhut, CTO
Michael N. Leszcz, vice president professional services
Farrukh Humayun, vice president engineering

Board of Directors

Andrew M. Snyder, vice president, Goldman, Sachs & Co.
Boake A. Sells, former chairman of the board, CEO of Revco Drug Stores, private investor
David G. Dame, managing general partner, KPP Ventures
Robert Lauer, retired managing partner, Accenture
Shahan D. Soghikian, general partner, JP Morgan Partners
Steven W. Lindseth, founder, chairman and CEO, Axentis, LLC.
W. James Fischer, retired senior partner, CCO, Accenture
William G. Petty, Jr., managing director, Healthcare Equity Partners

Contact Us

For more information about AE's Business Process Management Platform, please contact us through any of the following:

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 Professional services: profservices@axentis.biz
 Business development: busdev@axentis.biz

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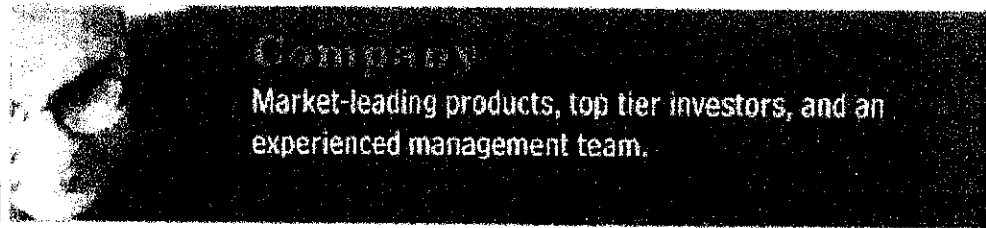
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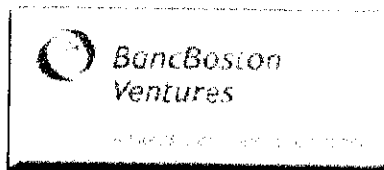
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Axentis institutional investors include JP Morgan Partners, Goldman, Sachs & Co., Fleet BancBoston Ventures, Healthcare Equity Partners, National City Equity Partners, JW Seligman, Key Principal Partners, and The Cleveland Clinic Foundation. The funding of our investors provides Axentis with the quality backing to successfully execute our company vision.



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Cash to fuel growth

4:06 PM March 14, 2003

By **SHASTA CLARK**

Flush with \$5.4 million of fresh capital and sales opportunities created by the recent surge of corporate corruption, [Axentis LLC](#) expects to double sales this year.

The Solon-based provider of software that helps companies comply with corporate- and government-imposed regulations recently got financing from JP Morgan Partners and Key Principal Partners, both former investors in Axentis. The company has attracted more than \$15 million in total.

Axentis, which spun out of Compliant Corp. more than a year ago, plans to use the money to expand its marketing and sales efforts, as well as enhance its software product. Axentis plans add six salespeople to its 50-person staff this year.

Axentis chairman Steven Lindseth said the company's sales potential has been bolstered from the corporate corruption scandals that rocked the business world last year. Corporations are being forced to comply with various regulations, and thus are looking for compliance solutions, he said.

Before the Enron and WorldCom scandals, "companies didn't view compliance as something that needed to be automated," Mr. Lindseth said. "Now, they are looking for a software (compliance) solution."

Mr. Lindseth said the most recent funding would help Axentis tap into the newly expanded sales opportunities that have been created by tougher regulations.

"We're expecting to get to cash-flow breakeven with this funding," Mr. Lindseth said. "We're expecting to grow sales 100% this year." Mr. Lindseth would not disclose sales.

A spokesman for Key Principal Partners could not be reached Friday afternoon. While some venture capitalists are finding themselves in a position where they must prop up previous deals with more cash, Mr. Lindseth said that isn't the case with Axentis.

"We're not trying to turn things around. We're doing well...I'm happy to say. We're growing faster than we forecasted," he said.

He added, "I view any (investment) I raise to be the last money the company will need."

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